



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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WENDY L. WATANABE  
AUDITOR-CONTROLLER

August 5, 2013

TO: Supervisor Mark Ridley-Thomas, Chairman  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe  
Auditor-Controller

A handwritten signature in blue ink, reading "Wendy L. Watanabe", is written over the printed name and title.

SUBJECT: **EXCEPTIONAL CHILDREN'S FOUNDATION – A DEPARTMENT OF  
MENTAL HEALTH CONTRACT SERVICE PROVIDER – CONTRACT  
COMPLIANCE REVIEW**

We completed a contract compliance review of Exceptional Children's Foundation (ECF or Agency) for the Fiscal Year (FY) 2011-12. Our review included a sample of billings charged to the Department of Mental Health (DMH) in November and December 2011. DMH contracts with ECF to provide mental health services, including interviewing Program clients, assessing their mental health needs, and implementing treatment plans. The purpose of our review was to determine whether ECF provided the services and maintained documentation as required by their County contract.

DMH paid ECF approximately \$1 million on a cost-reimbursement basis for FY 2011-12. The Agency provides services in the Second Supervisorial District.

**Results of Review**

ECF's treatment staff had the required qualifications to provide DMH Program services. However, ECF did not develop specific Targeted Case Management goals for ten (48%) of the 21 Client Care Plans reviewed in accordance with their County contract.

*ECF's attached response indicates that they implemented our recommendation by instructing their treatment staff to develop specific and measurable Targeted Case Management goals and to comply with the DMH contract documentation requirements.*

Details of our review, along with a recommendation for corrective action, are attached.

**Review of Report**

We discussed our report with ECF and DMH. ECF's attached response indicates that they agree with our finding and recommendation.

We thank ECF management and staff for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:AB:DC:EB:sk

Attachment

c: William T Fujioka, Chief Executive Officer  
Dr. Marvin J. Southard, Director, Department of Mental Health  
Ralph Walter, Chair, Board of Directors, ECF  
Dr. Scott Bowling, Executive Director, ECF  
Public Information Office  
Audit Committee

**EXCEPTIONAL CHILDREN'S FOUNDATION  
DEPARTMENT OF MENTAL HEALTH  
FISCAL YEAR 2011-12**

**BILLED SERVICES**

**Objective**

Determine whether Exceptional Children's Foundation (ECF or Agency) provided the services billed to the Department of Mental Health (DMH) in accordance with their DMH contract.

**Verification**

We selected 30 (5%) of the 594 approved Medi-Cal billings for November and December 2011, which were the most current billings available at the time of our review (November 2012). We reviewed the Assessments, Client Care Plans, and Progress Notes maintained in the clients' charts for the selected billings. The 30 billings represent services provided to 21 clients.

**Results**

ECF maintained documentation to support 97% of the billings reviewed. However, ECF did not develop specific Targeted Case Management goals for ten (48%) of the 21 Client Care Plans in accordance with their DMH contract.

**Recommendation**

1. ECF management ensure that Client Care Plans are completed in accordance with their DMH contract, including developing specific Targeted Case Management goals.

**STAFFING QUALIFICATIONS**

**Objective**

Determine whether ECF's treatment staff had the required qualifications to provide the services.

**Verification**

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for eight (62%) of the 13 treatment staff who provided services to DMH clients during November and December 2011.

**Results**

Each employee reviewed had the qualifications required to provide the billed services.

**Recommendation**

**None.**



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Exceptional Children's Foundation/Kayne Eras Center  
5350 Machado Rd.  
Culver City, CA 90230

July 3, 2013


Re: Contract Compliance re-review 7/1/2013

Dear Ms. Watanabe,

This letter is being written in response to the County of Los Angeles Department of Auditor-Controller's re-review 7/1/2013, of our previous audit on 11/14/2012. We are in agreement with the findings. We have implemented the following **Plan of Correction**:

*We have instructed our staff and QA supervisor to be sure that all Targeted Case Management goals are clearly delineated, measureable and meet Los Angeles County Department of Mental Health documentation requirements.*

We appreciate the time and the feedback we received 7/1/13,

  
Dennee Jordan, MFT, PsyD  
Director of Mental Health Services  
Exceptional Children's Foundation